

December 9, 2009

Co-Chair Toni Harp
Co-Chair John Geragosian
Senator Dan DeBicella
Representative Craig Miner

Members of Appropriations Committee:

I am speaking today on behalf of Hendel's Inc., a third generation family-owned business based in Waterford. We have 150 employees, most of whom are residents of Connecticut. We own 40 gasoline stations/convenience store facilities throughout the state. We have utilized the Tank Fund/Program to partially reimburse us for the costs of remediating accidental spills, thereby helping to protect the environment of our state and allowing us to keep locations open, which keeps employees on the job and allows taxes to continue to be generated.

Until September, the petroleum gross earning tax (GET) was the dedicated revenue stream which financed the Tank Fund/Program. In 2008 the GET - which had been established about 20 years ago to pay for for the Tank Fund - generated \$368 million in revenue for the State of Connecticut, while the Tank Fund only paid out \$12 million in approved reimbursement claims to gas station owners, which left more than \$ 350 million to be deposited into the state's general fund. Per the budget plan approved in September, tank clean-up funding was cut from \$9.9 million to \$4.9 million, while the structure of the Fund itself was changed from a "Fund" with a dedicated revenue source to that of a "Program" with no such dedicated revenue. The September budget cuts to the Fund and its shift to a "Program" have severely damaged a vehicle which had been an example of outstanding public policy -- one that had been good for private sector business, good for the business of the State of Connecticut and good for the environment.

As if this wasn't bad enough, **LINE 16** of Governor Rell's November Deficit Mitigation Plan would now cut the Tank Program by another \$1.5 million, to \$3.4 million! Legislators will be given a total budget package upon which to vote up or down that will include the **LINE 16** tank clean-up reduction of \$ 1.5 million unless Line 16 is removed from this package. Therefore, **I URGE THE MEMBERS OF THIS COMMITTEE TO REMOVE LINE 16, THE \$1.5 MILLION TANK CLEAN UP PROGRAM REDUCTION, FROM THE PACKAGE OF PROPOSED CUTS BEFORE THE PLAN IS BROUGHT UP FOR A VOTE!**

If approved, the proposal contained in the Governor's Deficit Mitigation Plan would further deplete an already severely depleted Fund/Program and may force us (like many of our competitors) to close some of our tax-generating gasoline locations which would otherwise be remediated, thus necessitating layoffs of some of our employees. This would **REDUCE** the tax revenue Hendel's and our employees provide the state and **ADD** to the State's expenses by swelling unemployment rolls. This is certainly **not** the time to be pursuing measures which would **REDUCE** the **State's REVENUE AND ADD** to

the **State's EXPENSES** (while hurting our environment which ultimately creates much greater expenses in the long run due to harm to public health, than would be the case if remediation was pursued promptly). I strongly object to the Governor's proposed further reduction in the Tank Fund/Program not on the basis of "fairness," but because of cold financial realities. Line 16 will cost - not save - the State money.

In 1989 the State of Connecticut enacted legislation creating the Tank Fund in order to provide evidence of financial responsibility for the owners of commercial tanks in accordance with federal law. Further cutting Tank Clean-Up funding threatens the viability of the program as the Environmental Protection Agency (EPA) may de-certify the program due to inadequate funding. Without a viable, federally-certified state program, we (and most other gasoline distributors, other than the multinational giants) would have to close many gas outlets in order to remain in compliance. Less competition begets higher gasoline prices, which further hurts our economy.

Tank clean-up funding provides a "win-win" for Connecticut's environment and for Connecticut's economy. **Line 16** of the November Deficit Mitigation Plan is a "lose-lose" for both. Please **urge Leadership to remove Line 16 from the proposed budget cuts before the package is voted upon in its entirety!**

Thank you.

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